



401 9th Street, NW, Suite 400  
Washington, DC 20004

April 22, 2005

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
TW-A325  
445 12<sup>th</sup> St., SW  
Washington, D.C. 20554

Re: Ex Parte Presentation,  
**CC Docket Nos. 93-193 and 94-65**

Dear Ms. Dortch:

On April 21, Jeff Lindsey, Jim Appleby, Gary Kepley, John Fournier and I, all of Sprint, spoke with Tamara Preiss, R.L. Smith, and Andy Mulitz of the Wireline Competition Bureau regarding Sprint's OPEBs filings, and the relationship between exogenous treatment of OPEBs costs and computation of add-back refunds. Sprint provided the attached OPEBs timeline to call participants, as well as to Judy Nitsche and Margaret Dailey, also of the Wireline Competition Bureau.

I request that this letter, which is being filed electronically, be placed in the file for the above-captioned proceedings.

Please contact me at (202) 585-1915 with any questions.

Sincerely,

A handwritten signature in black ink that reads "Norina Moy".

Norina Moy  
Director, Federal Regulatory  
Policy and Coordination

c: T. Preiss  
R.L. Smith  
A. Mulitz  
J. Nitsche  
M. Dailey

## OPEBs Timeline

12-90	FASB adopted SFAS 106
12-90	Common Carrier Bureau approved the request of SWBT and GTE to adopt SFAS 106 on or before 1-1-93
5-4-92	Common Carrier Bureau released RAO 20
12-2-92	Sprint filed a letter advising FCC of our adoption of SFAS 106, effective for financial reporting purposes as of January 1, 1993. We did not file for exogenous price cap treatment at that time, but did decrease total (interstate and intrastate) rate base by \$479.5 million to reflect accrued OPEBs liability back to an effective date of 1/1/92.
1-22-93	FCC OPEB Order denied the LECs' request for exogenous treatment of OPEBs expenses, but stated that FCC might reconsider the issue in the 1993 annual filing with more information.
6-30-93	Several LECs (not including Sprint) filed to include the transitional benefit obligation (TBO) portion of OPEBs as an exogenous cost. FCC suspended filings and instituted an investigation (CC 93-193).
7-12-94	DC Circuit Court reversed and remanded the OPEBs Order. BA, NYNEX, Pac Bell, US West filed tariffs asking for exogenous treatment of OPEBs costs not previously claimed. These tariffs were suspended and set for investigation (CC 94-157)
10-3-94	Also in response to Court remand order, Sprint filed to increase PCIs to reflect exogenous OPEBs costs incurred between 1-1-93 to 11-15-94 as well as on-going OPEBs costs (total claimed amount was \$16.949 m., of which approximately 85% was for TBO). (See letter from William Wardell, Sprint, to William Caton, FCC.) We did not change any rates or make any rate base adjustments in this filing. This filing became effective 11-17-94, and was not suspended or set for investigation.
4-7-95	FCC released Price Cap Performance Review Order adopting an "economic cost" standard for determining exogenous cost treatment, and ordering LECs to remove exogenous OPEB TBO costs (which were deemed not to meet the economic cost standard) on a prospective basis.
5-9-95	Sprint filed Transmittal No. 39 (annual access filing), removing all OPEBs exogenous costs (\$16.949 m.), both retroactive and prospective, from the PCIs.
6-30-94	Common Carrier Bureau consolidated the 1993 Annual filing investigation (CC 93-193) with the OPEBs investigation (CC 94-157) into CC 94-157. It also included 4 additional OPEBs-related filings by BA, Pac Bell, US West, NYNEX in the docket.
3-7-96	FCC rescinded, on procedural grounds, the portion of RAO 20 that directed carriers to include OPEBs-related liabilities in their rate base.
6-30-95	In response to RAO 20 Rescission Order, several LECs (not including Sprint) added accrued OPEBs liabilities back to their rate base, thereby reducing their earned rate of return and their sharing obligations for 1992-1995.
6-30-96	Common Carrier Bureau implemented an investigation of those tariffs.

- 2-20-97 FCC amended Part 65 of its rules to require LECs to deduct accrued OPEB liabilities from the rate base. These rules became effective on 4-30-97.
- 2-25-03 CC 94-157 was reinstated after being inadvertently terminated and Verizon was directed to file a direct case on why pre-1-1-93 OPEBs cost should receive exogenous treatment.